

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 RSR-01 OMB-01 CIAE-00 COME-00 EB-11

INR-10 LAB-06 NSAE-00 RSC-01 SIL-01 DOTE-00 L-03

DODE-00 PA-03 USIA-15 PRS-01 NSC-10 /089 W

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P 011630Z SEP 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 1649

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E.O. 11652: N/A

TAGS: PINT, ELAB, CA

SUBJECT: PARLIAMENT ADOPTS EMERGENCY RAIL LAW; GOVERNMENT ORDERS
RAIL EMPLOYEES BACK TO WORK

REF: OTTAWA 2093 AND 2074

1. FOLLOWING ADOPTION OF EMERGENCY RAIL LEGISLATION BY PARLIAMENT
IN THE EARLY MORNING HOURS OF SEPTEMBER 1, THE CANADIAN GOVERN-
MENT TODAY ORDERED RAIL WORKERS TO RETURN TO WORK AT 12:01 A.M.
EDT, SUNDAY, SEPTEMBER 2, 1973. THE FINAL VOTE, AT 3:24 A.M.,
WAS 187 TO 26. (96 LIBERALS, 84 PROGRESSIVE CONSERVATIVES (PC), 6
SOCIAL CREDIT (SC), AND 1 INDEP. WERE IN FAVOR; THE 25 NEW
DEMOCRATIC PARTY (NDP) MEMBERS AND 1 SOCIAL CREDIT WERE OPPOSED).

2. THE AMENDED BILL INCREASED THE MINIMUM WAGE SETTLEMENT TO
34 CENTS PER HOUR, RETROACTIVE TO JANUARY 1, 1973 (EQUIVALENT TO
A 9.6 PERCENT RAISE IN 1973); 6.5 PERCENT NEXT JAN 1 AND 1.5
PERCENT NEXT JUNE 30. THE CONSERVATIVE AMENDMENT PROVIDING FOR
THESE INCREASES FROM THE ORIGINAL GOVERNMENT BILL PASSED BY A
VOTE OF 111 TO 100 WHEN THE TORIES RECEIVED THE SUPPORT OF THE
NEW DEMOCRATIC PARTY. AN EARLIER AMENDMENT PROPOSED BY THE NDP
WAS DEFEATED 181 TO 26. IT WOULD HAVE SUPPORTED THE MINIMUM
WAGE DEMAND BY THE UNION OF 38 CENTS PER HOUR OR 10.8 PERCENT
IN EACH YEAR OF A TWO-YEAR CONTRACT.

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3. SPOKESMEN FOR THE CANADIAN NATIONAL AND CANADIAN PACIFIC RAILWAYS SAID THEY EXPECT WORKERS TO REPORT BACK FOR THE FIRST SHIFT AFTER THE BILL BECAME LAW. THEY SAID THE FIRST TRAINS COULD BE RUNNING 12 HOURS AFTER THE FIRST SHIFT REPORTS BACK AND FULL SERVICE COULD BE RESTORED 48 HOURS AFTER THE EMPLOYEES ARE BACK ON THE JOB. THE CNR RAILWAY SPOKESMAN SAID FERRY SERVICE TO NEWFOUNDLAND AND PRINCE EDWARD ISLAND COULD BE OPERATING WITHIN 12 HOURS AFTER THE CREWS REPORT BACK. A CNR VICE PRESIDENT ESTIMATED THE COST OF THE BILL'S SETTLEMENT PROVISIONS AT WELL OVER \$300 MILLION. (THE ORIGINAL CONCILIATION BOARD SETTLEMENT REPORTEDLY WOULD HAVE COST THE RAILROADS \$278 MILLION; THE NDP PROPOSAL HAD AN ESTIMATED COST OF \$450 MILLION.

4. AS OF NOON EDT, SEPTEMBER 1, UNION LEADERS WERE STILL MEETING IN OTTAWA TO DECIDE THEIR POSITION ON THE BACK-TO-WORK ORDER. EARLIER UNION OFFICIALS HAD THREATENED TO DEFY THE LAW. HOWEVER, ONE LABOR SOURCE WAS REPORTED IN THE PRESS THIS MORNING AS STATING THAT THE HIGHER WAGE PROVISION PUT THE BILL IN A "GREY AREA" BETWEEN WHAT THE UNION CONSIDERED ACCEPTABLE AND WHAT IT WOULD REJECT AS LOW.

5. NDP LEADER DAVID LEWIS TOLD REPORTERS THAT WHILE THE BILL IS NOT FAIR HE HAD APPEALED TO RAILROAD EMPLOYEES TO OBEY THE LAW AND RETURN TO WORK. HE SAID NO PURPOSE WOULD BE SERVED IN DEFYING THE LAW.

6. LEGISLATION CAME AFTER A MARATHON SESSION WHICH BEGAN AT 11 A.. FRIDAY AND DID NOT END UNTIL THE COMMONS VOTE AT 3:24 A.M., SATURDAY FOLLOWED BY 90 MINUTES OF DEBATE IN THE SENATE. THE BILL FINALLY PASSED THE LAW AT 6:08 A.M. WHEN IT WAS GIVEN ROYAL ASSENT.

7. PARLIAMENT IS SCHEDULED TO RECONVENE TUESDAY, SEPTEMBER 4, WHEN THE GOVERNMENT HAS PROMISED IT WILL UNVEIL ITS LEGISLATIVE PROGRAM TO DEAL WITH THE PROBLEM OF INCREASED COST-OF-LIVING IN CANADA.
JOHNSON

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